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Soviet Involvement in the Indian Ocean
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Soviet Involvement in the Indian Ocean

Objectives of Soviet Aid Diplomacy

1. Soviet policy toward the Third World countries on the periphery of the Indian Ocean is an extension of its overall policy toward the less developed countries -- the expansion of Soviet influence. Although this goal has been a traditional one for Moscow, the post-Stalin regime has employed different tactics in its pursuit. In contrast to the previous Soviet efforts to foster militant local Communist parties in order to hasten Communist takeovers, the new leadership moved to cultivate good relations with the legitimate governments of these countries. The Soviet Union established diplomatic relations with them and offered to provide political and material support for their national objectives. Moscow hoped that with this plot it could manipulate the strong neutralist and anti-Western orientation existent in newly emerging countries to erode Western influence where it could and to substitute its own. The most important foreign policy tools employed in pursuit of this objective have been military and economic aid. That Moscow had any success in this endeavor is due to the receptive atmosphere within which the Soviet leadership has been able to maneuver.

2. During the first decade of the Soviet aid program, Moscow welcomed all takers. The flamboyant Khrushchev extended credits almost indiscriminately, while deriving as much propaganda benefit as possible from each new commitment. This approach changed sharply after this ouster from

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power. The new regime quickly adopted a more cautious approach -- particularly for economic aid -- and generally has sought to determine if the aid extended could be absorbed and what political benefits it might yield. But, perhaps even more significant, it shifted its geographic emphasis to the Arab countries and to those adjacent to the "soft underbelly" of the Soviet Union.

3. The Soviet presence in the Indian Ocean area is, of course, not new. When Moscow launched its aid diplomacy in the mid-1950's, its first thrust was in that direction. Economic aid agreements were quickly concluded with Afghanistan and India, followed with commitments to Burma, Ceylon, and Indonesia. The earliest opportunities were in this area because they contained most of the "neutralists" of that time. Few African countries had yet attained independence and only the "radical" Arab countries of Egypt and Syria offered Moscow any other opportunities for rapid entree.

4. Moscow's aid program now has become highly concentrated. Its primary emphasis in recent years has been largely on the countries which form an arc running from the eastern Mediterranean, through the Red Sea, to the Arabian Sea. Whatever objectives Moscow may have in this area, they presumably include the development of sufficient leverage to influence decisions concerning the strategic Suez waterway and the countries containing the bulk of the World's oil reserves. Some of the countries in this area also form a buffer to any southern penetration of the Soviet Union.

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The intrusion of the major naval presence into this arc merely serves to give credibility to whatever policies Moscow seeks to pursue.

5. There is, of course, another major consideration presumably influencing Soviet policy in the area -- the containment of Chinese influence.

This concern became an influence on Soviet aid diplomacy in the early 1960's, when Khrushchev engaged Peking in competition for aid recipients in Africa. The Chinese, however, never have been able to compete with the greater resources of the USSR and only in Pakistan have the two engaged in some recent bidding for influence. The Soviet leadership, nevertheless, appears to be concerned with the long run possibility of a Chinese breakout into the Indian Ocean, particularly after a complete British withdrawal and the probable minimization of the US presence in the area. This concern is best evidenced by Brezhnev's vague call in June 1969 for a "collective security system" for Asia. While ostensibly not excluding Communist China, it was clearly directed at it (and only secondarily at the United States). Though not necessarily a call for a formal military pact, it probably is an attempt to open the way for expanded diplomatic and economic moves to firmly establish influence in those parts of Asia where Moscow's power so far has been marginal.

Soviet Foreign Aid

6. Since the inception of its aid program in 1954, the USSR has extended nearly \$12.4 billion in military and economic aid to Third World countries. More than three-fourths of such commitments have gone to the

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countries in the Indian Ocean area (See Table 1). The latter countries, however, have received

only about two-thirds of the economic aid extended. India and the United Arab Republic (UAR) have received about 40% of Soviet aid to all Third World countries and more than 55% of the aid provided countries in the India Ocean area.

7. The pattern of aid concentration is seen quite clearly in the extensions since 1965 (See Tables 2 and 3). India, Iran, Iraq, Pakistan, and the UAR have each received either economic and/or military aid commitments in almost every year since 1965. Sudan received all of its military aid and most of its economic aid in the last two years, after a coup brought a leftist government to power. Yemen and Southern Yemen receive periodic infusions of aid. But the east African countries of Ethiopia, Kenya, Somalia, and Tanzania have received little or nothing since 1964. Ceylon has received almost no Soviet aid since 1958, while Burma received only token commitments in the early 1960's. Indonesia, the third largest recipient of Soviet aid has received no new commitments since that country's abortive coup attempt in 1965.

Academic and Technical Assistance

8. In addition to the equipment provided directly through its military and economic aid, Moscow also provides parallel programs of technical assistance and academic training. These programs not only are designed to meet the practical need for skilled personnel to help implement and

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IS/IT Contribution to NSSM , "Assessment of the Soviet Threat in the Indian Ocean"

Soviet Shipping and Seaborne Trade in the Area of the Indian Ocean

The role of the Indian Ocean in Soviet seaborne trade has diminished significantly since the closure of the Suez Canal in mid-1967. In 1965*, the tonnage of Soviet trade cargoes that moved on the Indian Ocean made up 10% of total Soviet seaborne foreign trade. By 1968,** the share had dropped to 5%.

Soviet shipping in the Indian Ocean reflects the economic relations of the USSR with countries in that area and, to a lesser extent, with countries like Japan and North Vietnam that receive some of their imports of Soviet origin from the Black Sea. Only a small amount of Soviet domestic trade (less than 250,000 tons per year) moves via the Indian Ocean.***

Eight of the 33 international cargo lines served by Soviet dry cargo ships at the end of 1969 either called at Indian Ocean ports or traversed the Indian Ocean en route to points farther east. These included a joint Soviet-Indian line linking Soviet Black Sea ports with India and Ceylon; three unilateral Soviet lines from the Black Sea -- to Southeast Asia (including North Vietnam), to Iraq, and to ports in East Africa and on the Red Sea; three unilateral lines from the Baltic Sea -- to Malaysia, to Australia, and to New Zealand; and a unilateral line operating out of the Soviet Far East and linking Japan, the Malaysian Peninsula, and the

East Coast of India.

* The latest pre-closure year for which good tonnage data on Soviet seaborne foreign trade is available.

** The latest year for which a Soviet foreign trade handbook (which includes tonnages in addition to values for some commodities) is available.

*** Its chief component (as before the Suez Canal was closed) appears to be ore moving from the Primorskiy Kray port of Totyukhyo to the Black Sea.

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Against the background of the total seaborne trade of the countries bordering the Indian Ocean,* which amounted to almost 550 million tons in 1965 and 700 million tons in 1968, Soviet trade with the area appears insignificant -- about 1% in 1965 and closer to a half of 1% in 1968. The table below provides approximate tonnages of Soviet seaborne trade with countries in the area of the Indian Ocean. Iran and the UAR are excluded because little of the USSR's trade with them moves on the Indian Ocean. A majority of these cargoes moved in Soviet merchant ships which averaged between 1,200 and 1,400 port calls in the area per year. Although some of the drop from 5.4 million tons in 1965 to 3.1 million tons in 1968 is due to the unavailability of tonnage data for certain categories of general cargo in 1968, much of it is attributable to the absence of wheat imports from Australia due to improved harvests in the USSR after 1965 and to changed trading patterns resulting from closure of the Suez Canal in mid-1967 and political switches such as that which occurred in Indonesia at the end of 1966. India whose seaborne trade with the USSR exceeded 2 million tons in 1965 and 1 million tons in 1968 was the chief trading partner during both years. Iraq was second in importance in 1968 with more than 400,000 tons and Ceylon was third with more than 360,000 tons. The only other countries in the area whose trade with the USSR exceeded 100,000 tons in that year were Malaysia and Singapore with ^{a combined total of} at least 285,000 tons and the Sudan with at least 234,000 tons.

Soviet petroleum shipments into the area from the Black Sea in 1965 (while the Suez Canal was still open) totaled more than 2 million tons: 1.4 million to India, .6 million to Ceylon, and .1 million to Burma. By 1968, the total had dropped to less than .9 million: .5 million to India, and .3 million to Ceylon, and lesser quantities to the Somali Republic and Burma. The total for 1969 was only .7 million.

* Including countries on the Red Sea and the Persian Gulf.

Table

Soviet Seaborne Trade with its Trading Partners in the Indian Ocean Area, 1965 and 1968

Country	1965			1968		
	Exports	Imports	Total	Exports	Imports	Total
Sudan	81	24	105	208	26	234
Ethiopia	29	4	33	7	2	9
Somali Republic	28	Negl.	28	66	—	66
Kenya	12	1	13	12	1	13
Tanzania	3	5	8	6	5	11
Yemen	108	1	109	65	2	67
Iraq	83	20	103	387	21	408
Kuwait	228	—	228	118	—	118
Pakistan	105	10	115	122	35	157
India	1,701	356	2,057	805	406	1,211
Ceylon	684	35	719	323	41	364
Burma	151	107	258	37	1	38
Thailand	6	1	7	7	1	8
Malaysia/Singapore	5	210	215	9	276	285
Indonesia	123	56	179	17	51	68
Australia	2	1,253	1,255	Negl.	22	22
Total	<u>3,350</u>	<u>2,082</u>	<u>5,432</u>	<u>2,191</u>	<u>890</u>	<u>3,081</u>

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During recent years Soviet foreign trade cargoes transiting the Indian Ocean have consisted largely of the following: petroleum, pig iron, manganese ore, and cotton from the Black Sea to Japan; fertilizer, petroleum, and general cargo from the Black Sea to North Vietnam; military aid cargo from the Black Sea to Cambodia; and imported wool from New Zealand to the Baltic. Their ^{total} volume dropped from about 4.5 million tons in 1965 to less than 3.0 million tons in 1968.

As shown in the tabulation below, cargoes transiting the Indian Ocean en route from Soviet ports on the Black Sea to Japan fell by more than a third from 1965 to 1968 -- largely the result of a cut-back in petroleum shipments following the closure of the Suez Canal:

	Thousand Metric Tons	
	1965	1968
Petroleum	3,000,000	1,400,000
Pig Iron	772,000	749,000
Manganese Ore	92,000	107,000
Cotton	14,000	81,000
Total	3,877,000	2,337,000

Following closure of the Canal the USSR entered "swap" deals with Free World oil firms under which petroleum extracted by these companies in the Persian Gulf would move to Japan in Free World tankers on Soviet account while equivalent tonnages of Soviet petroleum would go from the Black Sea to European consumers on the accounts of the Free World firms. The amounts shipped to Japan on this basis during 1968 and 1969 were 700,000 and 1,000,000 tons respectively.

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Closure of the Suez Canal contributed to a drop of the same relative magnitude in shipments to North Vietnam from the Black Sea. Available data show a drop in this case from 446,000 tons in 1966 to 281,000 tons in 1968 and a modest increase to 298,000 tons in 1969. A commodity breakdown of these flows is presented below:

	Thousand Metric Tons		
	1966	1968	1969
Petroleum	171,000	44,000	20,000
Fertilizer	112,000	109,000	60,000
General and Miscellaneous	163,000	128,000	218,000
Total	446,000	281,000	298,000

The tonnage of Soviet/Cambodian trade that moved on the Indian Ocean in 1965 was negligible; trade with New Zealand was limited to 4,800 tons of Soviet wool imports. In 1968 Soviet/Cambodian shipments were limited to military aid amounting to less than 1,500 tons while trade with New Zealand included 11,500 tons of wool imports and 31,000 tons of export potash.

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Aeroflot Scheduled International Civil Air Service
to the Indian Ocean Region

1. Aeroflot (the Soviet State Airline) operates ~~only~~ a thinly served route network in the greater Indian Ocean region, serving 16 of the 22 countries in the area with a total of 11 flights per week (see the map and Tables 1 and 2). All of the scheduled flights to the region operate from Moscow, and the aging IL-18 -- configured to carry about 100 passengers -- continues to be the major aircraft serving these routes. However, the IL-62, the USSR's long-range jet, has been introduced in service on flights to Baghdad, New Delhi, Karachi, and Singapore. Aeroflot service to the Indian Ocean region is uneconomic by Western standard, due to the limited frequency, a small volume of traffic, on most routes, and the use of aircraft with high operating costs. These Aeroflot services are therefore flown for prestige, political penetration, ease in moving Soviet nationals and cargoes, clandestine operatives, and the use of Aeroflot offices abroad for intelligence collection.

2. Most of the Aeroflot routes to this region were established during the last decade. Prior to 1960 the only Aeroflot flights to the area were weekly services to India and the UAR, both inaugurated in 1958. Between 1962 and 1964 service was inaugurated to seven countries, including Burma, Pakistan and Indonesia. A long-sought route to East Africa -- to the Somali Republic and Tanzania -- was added in 1967. In 1970 services were inaugurated to Kenya and Malaysia, each as intermediate

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points on existing flights. All Aeroflot flights to the countries of Indian Ocean terminate in the region, except for the Moscow-Hanoi flight via Tashkent-Karachi-Calcutta, which began on an unscheduled basis in March 1969 and became a scheduled flight on 15 October 1970, adding Vientiane as an intermediate point.

3. All of these services are carried out under bilateral air agreements, which usually contain the provision that no troops or military equipment can be carried into or over the country concerned.

Soviet accession to the International Civil Aviation Organization on 14 November 1970 will facilitate Soviet civil air relations with countries of the Indian Ocean region, but most overflight and beyond right provisions will continue to be negotiated on an individual basis.

4. The USSR is anxious to begin flights to those countries of the Indian Ocean not currently served by Aeroflot -- Australia, Ethiopia, Kuwait, the Malagasy Republic, Mauritius and Thailand. Formal civil air discussions have been held recently with Ethiopia, Mauritius and Thailand and scheduled Aeroflot service to Mauritius may begin in the next few months. In October 1970, the USSR reportedly asked the Malagasy Republic for permission for a stopover at Tananarive on a weekly Aeroflot flight to Mauritius. Service to Ethiopia and Thailand could begin by the spring of 1971. The USSR is not known to have held civil air discussions with Kuwait.

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5. During the past two years the USSR has frequently spoken of extending Aeroflot service to Australia,

Any future Soviet discussions with Australia

and beyond to Japan in exchange for Qantas overflight rights over Central Asia or Siberia.

6. During the next few years Aeroflot will expand its route network in the Indian Ocean region to most of the countries not presently served, increase the frequency of flights on some existing routes in the area and accelerate the introduction of more modern aircraft on these services. Despite these developments, Aeroflot will not present significant competition to Free World airlines serving the region, except perhaps on the trans-Asian route which may be used more frequently by travellers between South Asia and Western Europe.

Table 1

Aeroflot Service and Year
of Inauguration to Countries
of the Indian Ocean Region:

<u>Country</u>	<u>Aeroflot Service</u>	<u>Year Service Begun</u>
Australia	no	-
Burma	yes	1962
Ceylon	yes	1964
Ethiopia	no	-
India	yes	1958
Indonesia	yes	1962
Iran	yes	1964
Iraq	yes	1964
Kenya	yes	1970
Kuwait	no	-
Malagasy Republic	no	-
Malaysia	yes	1970
Mauritius	no	-
Pakistan	yes	1963
Singapore	yes	1969
Somali Republic	yes	1967
South Yemen	yes	1969
Sudan	yes	1962
Tanzania	yes	1967
Thailand	no	-
United Arab Republic	yes	1958
Yemen	yes	1967

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Table 2
Aeroflot Schedule of Scheduled
International Air Service To and Via
Countries of the Indian Ocean Region

<u>Route</u>	<u>Trip Number</u>	<u>Flight Per Week</u>	<u>Type of Aircraft</u>
Moscow-Cairo-Khartoum- Entebbe-Nairobi-Dar es Salaam ^{1/}	SU-029	1	IL-18
Moscow-Damascus-Baghdad	SU-037	1	IL-62
Moscow-Tashkent-Karachi- Rangoon-Djakarta	SU-045	1	IL-18
Moscow-New Delhi	SU-053	1	IL-62
Moscow-Teheran-Karachi-Colombo Kuala Lumpur	SU-061	1	IL-62
Moscow-Cairo-Hodeida-Aden- Mogadiscio	SU-069	1	IL-18
Moscow-Teheran-Baghdad	SU-097	1	IL-18
Moscow-Tashkent-Karachi Calcutta-Vientiane-Hanoi	SU-0105	1	IL-18
Moscow-Tashkent-Karachi Singapore	SU-0175	1	IL-62

^{1/} The UAR and the Sudan are served by one additional aeroflot flight (SU-0113) which operates via Cairo and Khartoum to Bangui and Brazzaville.

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and eventually run Soviet aid projects, but also serve as an additional channel for cultivating Soviet influence. Since 1956, some 16,700 military and 8,100 technical personnel from Indian Ocean countries have trained in the USSR. An additional 9,800 have pursued programs at Soviet academic institutions. In addition, there has been a sizable flow of Soviet technicians into these countries to help construct projects, to train indigenous personnel in their use and maintenance, and to train others in the use military equipment. In 1969, some 9,100 Soviet personnel were employed in these tasks.

Trade

9. Soviet trade with Third World countries has never been a significant instrument for spreading Soviet influence. In those countries where trade is of some magnitude, it is largely an outgrowth of Moscow's aid programs. Although Soviet trade with these countries grew from about \$900 million to \$2.3 billion during the decade of the 1960's, it still accounted for only about 10% of total Soviet trade. Indian Ocean countries' trade, totaling some \$1.5 billion in 1969, represented only 7% of total Soviet trade.

10. For some countries, however, the Soviet Union accounts for a sizable amount of their trade. For example, about 25% of the UAR's and 10% of India's and Yemen's exports go to the USSR. A large part of these exports represent payments for Soviet economic and military aid. Malaysia is one of the few countries which sells a sizable amount of a commodity

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to the USSR for cash. In 1968, the Soviet Union imported nearly \$100 million worth of Malaysian rubber.

Assessment

11. By any scale of measurement, Soviet aid diplomacy must be considered a success. The program has afforded the Soviet Union opportunities -- despite some major setbacks -- for developing influence in many countries not otherwise possible with more conventional means of diplomacy. Soviet support for nationalist movements, particularly with military aid, has contributed substantially to the weakening, or elimination, of Western political and economic influence in many countries. Soviet aid also has made the Soviet presence an important factor in regions where previously it had little influence. How much durable leverage Moscow has gained, however, is difficult to measure. But these Indian Ocean countries which are heavily dependent on Soviet aid are, as a minimum, unlikely to undertake any major diplomatic initiatives without considering Moscow's possible reactions to them.

Base Rights

12. As Moscow's commitments in the Indian Ocean expand, its naval presence also is likely to increase. While bases in the area may not be necessary (as Moscow claims), they certainly are useful and add flexibility to Soviet operations in the area. As far as is known, Moscow has not used its aid program to acquire formal base rights. As a result of its aid program in the UAR, however, it has acquired use of naval and maritime

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facilities at Port Said and Alexandria. The USSR also has obtained access to port facilities (presumably maritime) in Somalia, Yemen, Southern Yemen, and Mauritius. The nature of Soviet access to facilities in other countries is not known. Moscow has obtained access to Singapore's ship-repair facilities. The Soviet Union has helped modernize the Indian base at Vishakhapatnam and improve the Pakistani port of Gwadar. It would seem likely that as Soviet military assistance to Indian Ocean countries increases the receptivity to Soviet requests for use of port facilities also will increase.

13. Moscow lost its access to Indonesian facilities when that country experienced its political upheaval in 1965. The USSR has made no effort to regain its former favorable position in that country. Indonesia, however, is too important -- both as a so-called nonaligned and a strategically located country -- to continue to be ignored by the Soviet leadership. It is likely that the Soviet program in Indonesia will be reactivated in the near future, particularly in view of recent indications that Soviet technical delegations may be going to Djakarta next year to initiate aid discussions.

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Table 1

Soviet Economic Aid
to Countries in the Indian Ocean Area
1954-1970

	Million US \$	
	<u>Total Aid</u>	<u>Economic Aid</u>
India	2,776	1,612
UAR	2,495	1,010
Indonesia	1,424	332
Iraq	1,029	332
Iran	723	578
Pakistan	324	266
Yemen	175	98
Sudan	116	65
Ethiopia	102	102
Somalia	98	63
Kenya	49	49
Ceylon	31	31
Southern Yemen	23	11
Tanzania	22	20
Burma	15	15
Total Indian Ocean Countries	<u>9,402</u>	<u>4,584</u>
Total All Third World Countries	<u>12,391</u>	<u>6,980</u>

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Soviet Economic Aid Extended to Indian Ocean Countries
1954-70

Recipient	Million US \$						
	1954-70	1965	1966	1967	1968	1969	1970a/
UAR	1,010.0	-	-	-	-	-	-
Sudan	64.8	-	-	-	-	-	-
Ethiopia	101.8b/	-	-	-	-	41.8	-
Somalia	63.2	-	8.5	-	-	-	-
Kenya	48.7	-	-	-	-	-	-
Tanzania	20.0	-	20.0	-	-	-	-
Yemen	98.4	0.1	-	-	-	-	-
Southern Yemen	10.6c/	-	-	-	-	-	0.4
Iraq	331.5	-	-	4.4	-	10.6	-
Iran	577.9	-	-	-	-	120.7	22.5
Pakistan	266.5	50.0	305.5	-	177.8	-	54.0
India	1,611.8	226.5	85.2	-	66.9	20.2	-d/
Ceylon	30.6	0.6	574.2	-	-	-	-
Burma	15.4	-	-	-	-	-	-
Indonesia	332.2e/	3.3	-	-	-	1.7	-
Total, All Less Developed Countries	6,980.5	371.2	1,281.0	290.4	379.3	474.0	142.7
Total, Indian Ocean Countries	4,583.4	280.5	993.4	4.4	244.7	195.0	76.9

- a. As of 17 November 1970.
- b. The total amount was extended in July 1959. Only a small portion of this amount has been drawn to date.
- c. Does not include a grant to the fishing industry of an unspecified amount in 1969.
- d. A Soviet offer of a \$200 million credit for the construction of a steel mill was made in 1970. However, a final agreement has not yet been signed.
- e. Of this total, \$328.9 million was extended during the period 1956-1960; the remaining \$3.3 million was extended in 1965. Only about 1/3 of the total amount extended has actually been drawn.

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